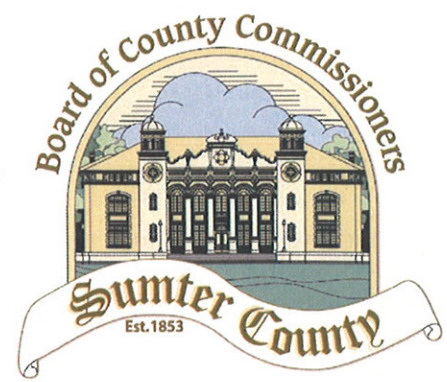


# Board of County Commissioners

## Sumter County, Florida

910 N. Main Street, Room 201 • Bushnell, FL 33513-6146 • Phone (352) 793-0200 • FAX: (352) 793-0207  
• Website <http://sumtercountyfl.gov>



September 15, 2008

Chairman Richard "Dick" Hoffman  
1<sup>st</sup> Vice Chairman Garry Breeden  
2<sup>nd</sup> Vice Chairman Doug Gilpin  
Commissioner Michael E. Francis  
Commissioner Randy Mask

Honorable Chairman, Vice Chairmen, and Commissioners:

In accordance with the provisions of Chapter 129 and 200 of the Florida Statutes that governs the budget process the proposed balanced budget for Sumter County for Fiscal Year (FY) 2008/2009 is hereby submitted for your review.

The budget is also prepared to meet the recently adopted Sumter County Financial Policies. Specifically in reference to the General Financial Goals it:

- Maintains the financial viability of the County in order to provide adequate levels of County services to the customers
- Maintains financial flexibility in order to continually adapt to local, regional, state, economic, statutory and demographic changes
- Maintains and enhances public infrastructure in order to provide for the health, safety and welfare of the County's citizens
- Meets the test of comparative analysis of the growth indexes to the growth of the expenditures of the General Fund less grants as shown below:
  - Population 2007-2008 3.62% : -2.28%
  - Consumer Price Index (CPI) which is viewed as:
    - CPI-W 2008 2.30% : -2.28%
    - CPI-U for July 2008 5.60% : -2.28%
  - Per capita Florida personal income for 2007 4.15% : -2.28%

Richard "Dick" Hoffman, Dist 1  
Chairman  
(352) 753-1592 or 793-0200  
910 N. Main Street  
Bushnell, FL 33513

Randy Mask, Dist 5  
Office: (352) 793-0200  
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Doug Gilpin, Dist 2  
2<sup>nd</sup> Vice Chairman  
(352) 793-0200  
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Bushnell, FL 33513

Bradley S. Arnold,  
County Administrator  
(352) 793-0200  
910 N. Main Street  
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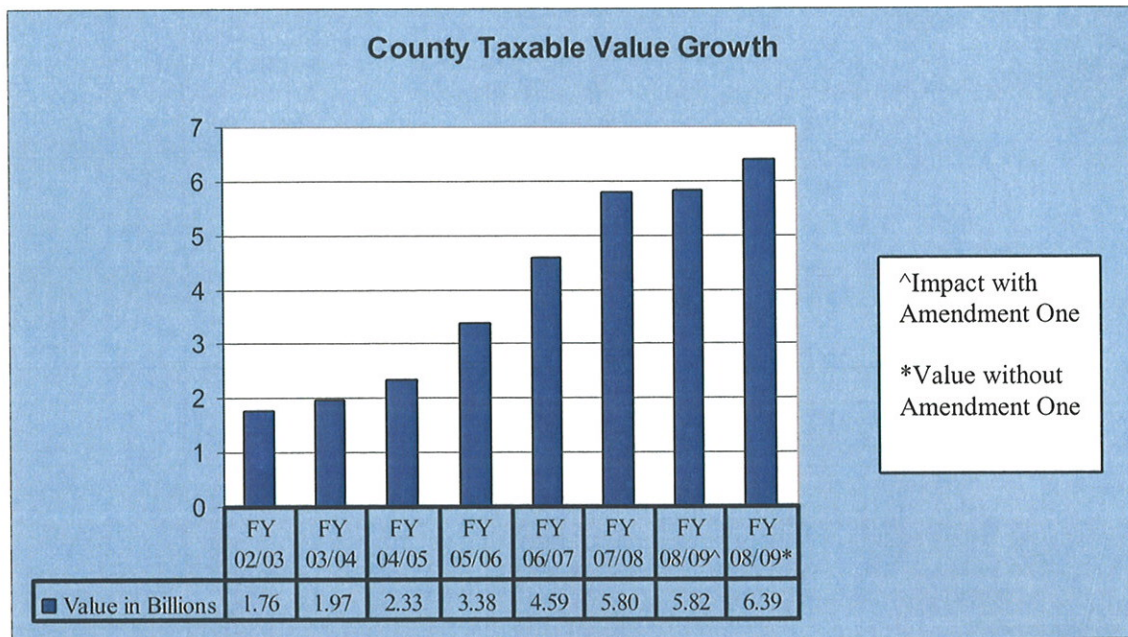
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Gloria R. Hayward, Clerk & Auditor  
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209 North Florida Street  
Bushnell, FL 33513

Garry Breeden, Dist 4  
Vice Chairman  
(352) 793-0200  
910 N. Main Street  
Bushnell, FL 33513

County Attorney  
The Hogan Law Firm  
Post Office Box 485  
Brooksville, Florida 34605

The proposed budget provides for the continuation of existing services at their current levels as well as funding for capital improvements except in the focused in-house pursuit of Florida Recreation Development Assistance Program (FRDAP) grants and management of active recreation programs at County parks such as summer programs. In all the funds, there is a net decrease of ten (10) positions for the Board of County Commissioners (BOCC) and an increase of twenty-seven (27) new positions for the Elected Officials. The recommended tentative millage rate is 5.8955 which is the calculated rolled-back rate. This is the fourth year in a row the County has been able to prepare a budget at or below the calculated rolled-back rate. Due to the fiscal responsibility Sumter County showed in years past as well as the continued growth due to the residential and commercial construction focused in or around The Villages, service levels were not adversely affected by the Constitutional Amendment 1 passed in February 2008. This constitutional amendment provided an increase in the homestead exemptions that followed the erosion by the State of Florida of the property tax system of Florida and home rule for local governments. The interpretation of this constitutional amendment also led to the calculated requirement for at least a super-majority vote to approve the rolled-back rate whereas in past years only a simple majority was necessary. This amendment did shift a sizeable burden of the property tax responsibility from the super homestead exempted residential properties to the agriculture, commercial, and industrial properties which results in a calculated higher rolled-back rate than the FY 2007/2008 budget of 5.4389. (See Graphic below showing the decline in the taxable value due to Amendment 1):

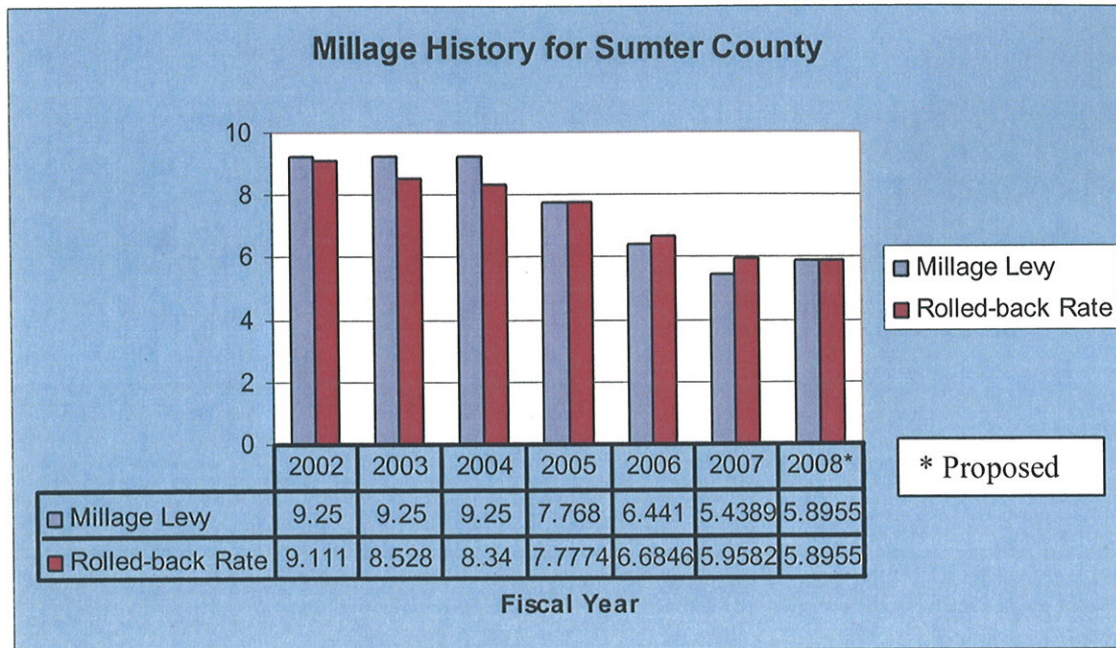


Sumter County lost its status effective July 1, 2008 as a fiscally constrained county due to its ability to raise more than \$5,000,000 per mil. This has an impact of a loss of state provided revenues (\$1,100,000 for FY 2008/2009) as well as an increase in expenditures to support the State of Florida with its responsibilities such as the Department of Juvenile Justice at a cost of approximately \$250,000 per year.



A comparison of the increase/decrease from the current fiscal year is also provided.

Below is a chart detailing the millage history for Sumter County:



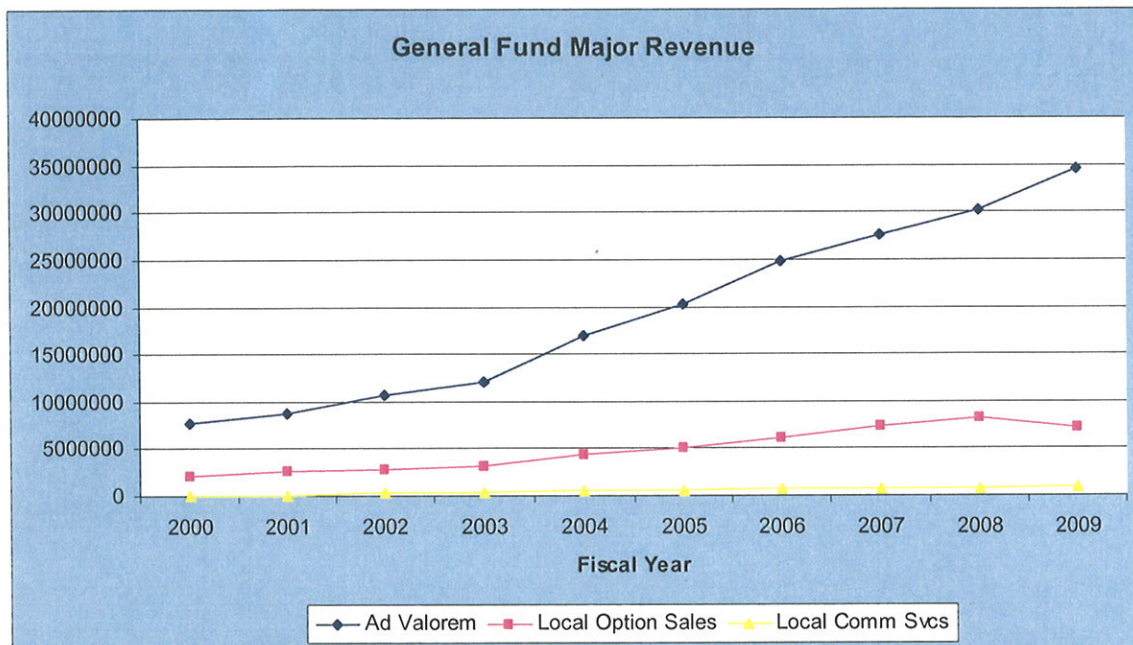
For the proposed fiscal year, we included various grant program contracts that were executed or guaranteed. The budget increase/decrease by fund is outlined below:

<i>Fund Title</i>	<i>FY 2007/2008 Amended Budget</i>	<i>FY 2008/2009 Proposed Budget</i>	<i>Increase/ (Decrease)</i>
<i>General Fund</i>	<i>60,548,232</i>	<i>57,194,311</i>	<i>-5.54%</i>
<i>Special Revenue Funds</i>	<i>56,407,354</i>	<i>74,297,815</i>	<i>31.72%</i>
<i>Debt Service Fund</i>	<i>7,029,753</i>	<i>6,487,308</i>	<i>-7.72%</i>
<i>Capital Projects Funds</i>	<i>37,445,939</i>	<i>30,694,875</i>	<i>-18.03%</i>
<i>Internal Services Funds</i>	<i>10,666,057</i>	<i>12,001,564</i>	<i>12.52%</i>
<i>Health Trust</i>	<i>560,548</i>	<i>560,548</i>	<i>0.00%</i>
<b><i>Total of All Funds</i></b>	<b><i>172,657,883</i></b>	<b><i>181,236,421</i></b>	<b><i>4.97%</i></b>

## **GENERAL FUND**

### **Projected Revenues**

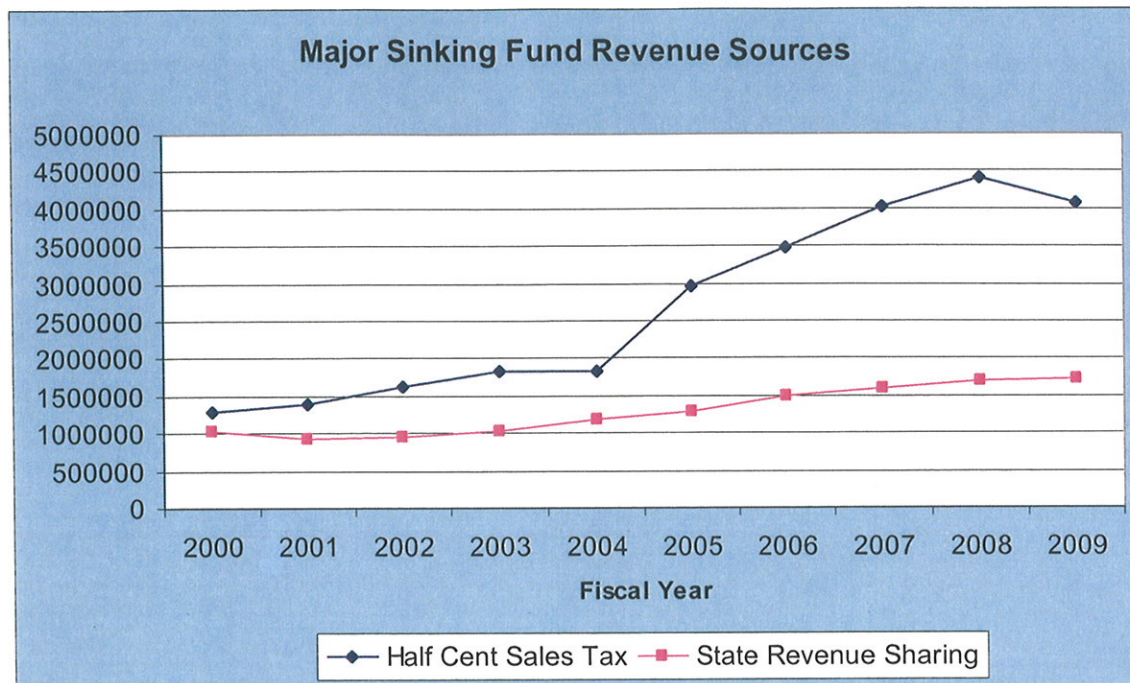
Approximately sixty (60) revenue sources comprise the total projected revenue for the General Fund for FY 2008/2009. The largest single revenue source is derived from property taxes (ad valorem). The other revenue sources include local option sales tax and other taxes, license and permit fees, intergovernmental transfers, charges for services, investment income and miscellaneous sources. The total projected General Fund revenue for FY 2008/2009 is \$57,194,311, a decrease from the FY 2007/2008 amended budget by \$3,353,921. The proposed budget for FY 2008/2009 is balanced using the expected fund balance (cash carry forward) of \$10,200,000. The 2008 Fiscal Year Property Tax accounts for \$33,131,228 or approximately 58% of all General Fund appropriations.



The only major increase in estimated revenue for the General Fund is Ad Valorem – 9.5% (\$2,882,914).

The half-cent sales tax and revenue sharing revenue are pledged to debt service. When there is a surplus after satisfying the debt payments, the excess is transferred to the General Fund. For FY 08/09, the projected surplus will be less than FY 07/08 (\$531,670) due to the decline in sales tax tied with the state economic downturn.





It should also be noted that the Cash Carry Forward cannot be considered a recurring Revenue Source. The budgeted Cash Carry Forward estimate for FY 2008/09 is \$2,369,592 less than the FY 2007/08 budget.

In FY 07/08 there was a one time transfer of \$853,315 to the General Fund from the Solid Waste Fund to reimburse past expenditures from the General Fund to the Solid Waste Fund. This shows as a major revenue reduction; however, this was noted in the recommendation letter prior to the approval of the FY 07/08 budget.

Other significant revenue declines greater than \$100,000 were as follows: Small County Sales Tax (\$1,311,396) and Clerk of Circuit Court Fees (\$315,000) both due to the slow down in the economy and finally the Interest earned (\$197,000) due primarily to the State Board of Administration failure to follow sound investment practices for the public funds invested with them as well as the decline in interest rates.

## **GENERAL FUND**

### **Projected Expenditures**

The Sumter County Financial Policies are specific in regard to the budgeting of the Reserve for Contingency and the Reserve for Cash Carry Forward (also known as Cash Balance Forward or Fund Balance). The proposed FY 2008/2009 budget has the Reserve for Contingency budgeted at the minimum 5.00% of the General Fund Operating Budget at (\$2,449,663) or 5.00% but below the maximum of 10.00%.

The policy calls for a minimum of two months of cash flow (16.67% of the General Operating Budget) in the area of the Reserve for Cash Balance Forward. The adopted

budget for FY 2007/2008 was \$4,750,000 or 9.81% which is under the required 16.67%. The policy does provide for a recovery to the minimum increase of 0.50% per year until the requirement is reached. The proposed Reserve for Cash Balance Forward is \$6,000,000 or 12.23% (1.47 months of cash flow) which is greater than the 0.5% required recovery rate. The secondary benefit of increasing the Reserve for Cash Balance Forward is to reduce the fluctuation from year to year regarding Cash Balance Forward as a revenue source. As noted under the revenue the difference for FY 2008/2009 was significant (\$2,369,592).

Salary increases are provided pursuant to the Board's direction effective October 1, 2008, based on the formula of 2.3% Cost of Living Adjustment (COLA).

Changes in the benefits for employees are included in the recommend budget. These changes are as follows:

- Co-payment to primary physician from \$15.00 to \$20.00
- Co-payment to specialist physician from \$15.00 to \$35.00
- Co-payment for prescriptions from \$5.00/\$20.00/\$40.00 to \$5.00/\$25.00/\$50.00  
(Generic/Brand/Non-Formulary)
- Persons that waive Health Plan coverage will receive \$500.00 annually in the Flexible Spending Account (FSA). This will encourage those participants with dual coverage to select a waiver from the County plan.

During the budget process, departments were asked to justify their proposed expenditures. The budget contained herein gives the total for each line item rather than the detail. For example, the line item for office supplies will contain the total for office supplies and not the individual entries under that heading. The three main expenditure components of the proposed budget are personnel, operations and capital. Significant changes are outlined below:

### **ALL FUNDS INCLUDING THE GENERAL FUND**

#### **Personnel**

The following provides more specific information on recommended personnel changes by Fund and by Department.

The single largest expenditure in a local government's budget is its personnel, which includes employee salaries and benefits. For example, the expenditures for salaries and benefits in the proposed FY 2008/09 General Fund budget are 49.93% of the total General Fund or \$28,557,783. The total FY 2008/2009 budget includes 223 BOCC positions and 375 Elected Official positions. This represents a net decrease of ten positions for the BOCC departments and an increase of twenty seven positions for the Elected Officials from the FY 2007/08 budget. The following additional positions are recommended for funding.

Sheriff's Department:Jail

Detention Service Specialist (DSS) - During the current fiscal year the Sheriff is hiring 14 new DSS positions as starting positions for training to then transition following their certification to the position of Correction Officer. Additionally the Sheriff is requesting 5 new DSS positions that will remain as the support staff.

Correction Officers (CO) – 14 Correction Officers are consistent with the ratio per square foot of the existing building as these positions are added to support the operation of the expanded jail.

Law Enforcement

The Sheriff is requesting 5 new positions for the ensuing fiscal year: Civil/Warrants Clerk, Records Clerk, Evidence Custodian, Patrol Division Secretary, and one 911 Call Taker that the Radio Communications fund is unable to support. This position is not presently funded in the Sheriff's current request. The Sheriff anticipates the possibility of coming to the Board for an amendment to the budget to fund the position.

911 Communications

Three Call Taker positions will be requested for dispatching purposes, two of the positions will be funded from the Emergency 911 Fund and one will be funded from the Sheriff's Law Enforcement budget.

Tax Collector:

Driver's License Support – This service started August 1, 2008 at the point the State of Florida abandoned its service to the citizens of Sumter County. The cost of the service is estimated to be \$173,000 that includes 3 additional positions carried from FY 07/08 to the new fiscal year. There is a corresponding revenue source to offset this expenditure.

Property Appraiser:

One position is requested to support the changes to the value appeal process as well as maintaining consistent review of property values provides the justification of the additional person within this office.

**Existing Positions Recommended for Elimination or Change**Veterans Services Office:

With the vacating of the former Bushnell Office to support the operation of the Public Defender, one Office Assistant I position is recommended for elimination based on the relocation of the office to the Community Service Administrative Office at 901 N. Main Street. The current Veterans Service Office Manager announced his retirement effective August 31, 2008 and his position was filled. The Office Assistant I position is currently filled and is recommended to receive the reduction in force severance opportunity provided in the same manner as approved by the Board of County Commissioners in 2007.

Parks and Recreation:

With the reorganization that includes placing the working crew of Parks and Recreation under the direct supervision of the Assistant Public Works Director for Operations, the two administrative support and Parks and Recreation Manager positions will be eliminated. The impact in service will be noticed by the elimination of active recreation program support and in the aggressive pursuit of grants to further expand or enhance the parks system. The Parks and Recreation Manager position recently became vacant when the employee accepted the position as the Risk Manager. The two administrative support positions are recommended to receive the reduction in force severance opportunity provided in the same manner as approved by the Board of County Commissioners in 2007.

Community Services Administration:

The current Division Director announced her retirement effective August 31, 2008 and her replacement was hired with a start date of October 13, 2008. The position of Assistant Division Director will be eliminated in conjunction with the removal of the Facilities Maintenance Department from the Division.

Facilities Maintenance:

The Project Manager, who reports directly to the County Administrator, will assume the role as Department Head of the Facilities Maintenance Department. This department will be renamed to Facility Management to encompass the function of construction as well as maintenance. The change is intended to continue the internal customer service improvements made this fiscal year and ensure the coordination between the maintenance personnel and construction activities.

County Administration:

The OPS support for this division is eliminated except for one which will support planned absences.

ReclassificationsCounty Administration Division:

The responsibilities of the three Budget and Purchasing personnel are proposed to increase with the adoption of the Centralized Purchasing Policy. The early work in advance of the policy includes costs savings through the consolidation of the copiers of the Board of County Commissioners and cell phones. The total impact for the increase in the salaries for the increased responsibilities is \$5,864.

Public Works Division:

A reorganization of this division occurred due to the addition of the Parks and Recreation Department as well as the focus differences in project engineering management and that of operations. It is proposed that there exist two Assistant Public Works Directors, one with the focus on Operations and the other on Engineering. None of these reclassifications except as noted in the Market Survey Corrections are recommended for



salary increases; however, the positions of Assistant Public Works Director do meet the test for senior management retirement which is included in the budget.

Market Survey Corrections:

The last pay and classification study was performed in 2004 and as such it is recommended that a study is conducted every 3 years and no more than 5 years. Due to time and funding constraints, an internal analysis was directed. The internal analysis reviewed market stability of the BOCC positions and determined there are positions that are greater than 25% under the regional market for their salary. Due to budgetary constraints and the timing for consideration of these corrections there is no recommendation for funding at this time.

**Significant General Fund Expenditure Increases**

The only two notable General Fund expenditure increases are the transfer to the Sheriff which is dominated by the costs associated with the increase in personnel and operational cost to support the operation of the expanded jail which is a statutory responsibility of the Board of County Commissioners and the increase to the Fair Board for the operation of the Ag Center as part of the full marketing of all the property and facilities managed by the Fair Board.

**Significant General Fund Expenditure Decreases**

Transfer to Sumter Fire District – (\$660,102)

The assessment rate is proposed to increase from \$77.00 per parcel to \$98.00. The increase in assessments provides added revenue to the Sumter Fire District Fund, making the requirement of General Fund transfer less.

Transfer to Villages Public Safety Fire District – (\$125,640)

The assessment rate is proposed to increase from \$61.00 per parcel to \$70.00 per parcel. The increase in assessments provides added revenue to the Villages Public Safety Fire Fund, making the requirement of General Fund transfer less.

**Elected Official Increases and Decreases**

Sheriff - \$2,1337,097 increase (includes the costs for fuel and jail staffing, inmate medical, facility utilities, and inmate food)

Supervisor of Elections/Office - \$14,760 decrease

Supervisor of Elections/Elections – \$86,696 decrease

Property Appraiser – \$73,332 increase

Tax Collector - \$181,384 increase which is primarily associated with the new driver's license operation in Sumter County when the State of Florida eliminated the service for Sumter County. A revenue of \$173,000 is proposed to offset the new service costs.

Clerk of Circuit Court- \$12,925 increase

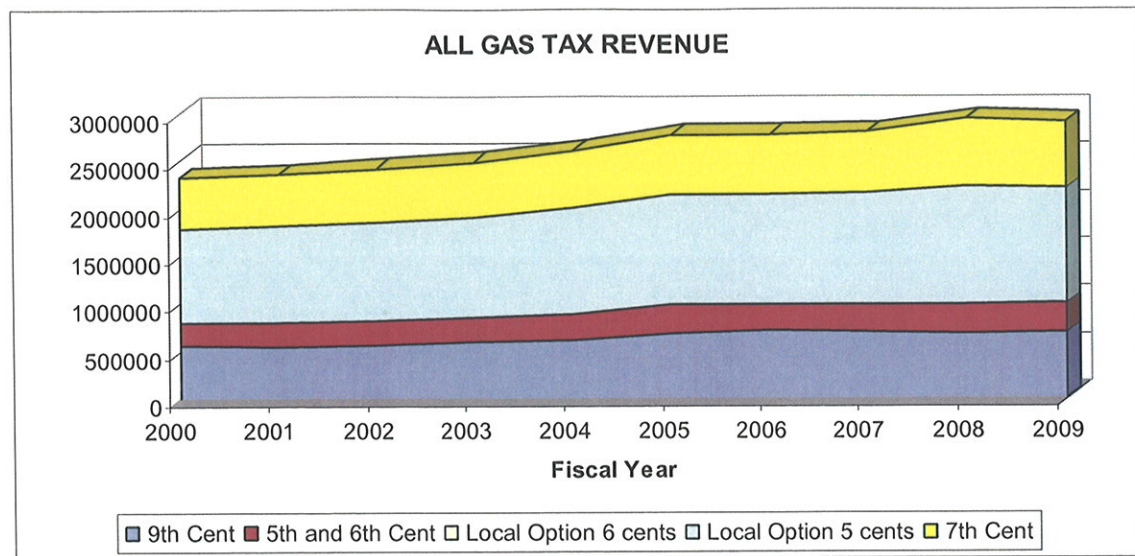
### **Project Related Expenditures**

#### **ALL FUNDS**

#### **Capital Outlay Reserve Funds:**

Projects funded in the Capital Outlay Reserve Fund are scheduled in the Board's Capital Improvement Plan. The projects are funded by Bond Issue, General Fund, Small County Solid Waste Grant, expected proceeds from a property sale, and developer's obligation converted to cash contribution.

<b>Project Description</b>		<b>FY 08/09 Budget</b>
<b>Jail Expansion</b>	Intermediate Needs, Pod, Kitchen & Video Visitation; In Progress	\$12,875,395
<b>Administration Building/Library</b>	CR 139 Wildwood	100,000
<b>County Probation Office</b>	Remodel former Housing Office	22,500
<b>Kennel – Animal Control</b>	In Progress	117,000
<b>Judicial Building – 1<sup>st</sup> Floor</b>	Renovation	2,000,000
<b>Historic Courthouse</b>	Renovation for State Attorney	1,521,243
<b>Tax Collector/Property Appraiser Building</b>	Renovation of former Sup of Election Building	822,569
<b>Public Defender Building 1 (Rock Building)</b>	Renovation of former Emergency Man. Bldg.	189,020
<b>Public Defender Building 2 (Pink Building)</b>	Renovation of the former Veterans Services Bldg.	109,800
<b>North Sumter Library</b>	FF&E, Opening Day Collection	14,165
<b>Center Hill Fire Station</b>	Renovation and Expansion; In Progress	281,000
<b>COR Funds Total</b>		<b>\$18,052,692</b>



### Road Projects:

This budget contains the following significant road projects through County Transportation Trust (CTT), Secondary Trust (ST), Small County Outreach Program (SCOP) and Road Impact Fee revenue:

Fund	Project	Description	FY 08-09 Budget
ST	C 468	Rebuild to 4-lane from Florida Turnpike to connect to 4-lane near C-44	234,000
ST/SCOP	C-476	Resurfacing, rehabilitation, shoulder improvement; west from CR 616 to Withlacoochee River	474,000
ST/SCOP	C-48	Resurfacing, rehabilitation, shoulder improvement; from SR 471 to Center Hill	359,000
CTT/SCOP	C-475	Design, leveling, milling, and resurfacing; SR 44 to C-466	1,054,000
CTT/SCOP	C-470 E Phase I	Design, leveling, milling, and resurfacing; I-75 to Lake County Line	2,953,000
CTT	C-470 E Phase II	PD&E Study for number of lanes and alignment; I-75 to Lake County Line	439,000
CTT	CR-528 Phase I	Construction of improved 24 ft. roadway between CR 526A and SR 471	611,000
CTT	CR-462	PD&E Study; CR 209 to C-466A	200,000
CTT	Morse Blvd-Phase I	Resurfacing from C-466 to Rio Grande	1,129,000



CTT	C-468 PD&E Study	US 301 to Turnpike	221,000
CTT	C-48 PD&E Study	Bushnell to Lake County Line	405,000
CTT	Morse Blvd-Phase II	Resurface from Rio Grade to El Camino	500,000
District 1 Road Impact Fees	C-466A Phase II	Design, permitting, construction of 4-lane roadway	1,500,000
District 1 Road Impact Fees	CR 139	Design, permitting, construction of roadway improvements from 44A to C-466A	1,000,000
District 1 Road Impact	C 468	Turnpike Interchange	50,000
<b>TOTAL</b>			<b>11,129,000</b>

### SUMMARY

The proposed budget for FY 2008/2009 provides funding to maintain the current level of service as noted herein and provides for a millage rate that equals the calculated rolled-back rate and therefore constitutes no legal tax increase. It is important to note that the millage rate adopted this year will again establish the new rate as the starting point in computing the maximum millage that can be levied in FY 2009/2010 as noted in the FY 07/08 budget letter.

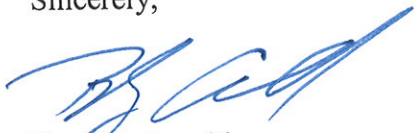
Notable impacts that will affect FY 2009/2010 are the conclusion of the expansion of the jail and its first full year of operation, the Interlocal Services Boundary Agreements with the municipalities due to added responsibilities or decreased responsibilities depending on consolidation opportunities addressed, and the continuing barrage of unfunded mandates provided by the State of Florida and other legislation that does not fully evaluate the impact to counties.

The Governmental Standards Accounting Board (GASB) requires governments to provide Statement 45 for the purpose of providing more complete, reliable, and decision-useful financial reporting regarding the costs and financial obligations incurred when providing post-employment benefits other than pensions (OPEB) as part of the compensation for services rendered by their employees. Post-employment healthcare benefits the most common form of OPEB, and are very significant financial commitment. Sumter County's Statement 45 is currently in development. Although the report is mandatory and must be updated every two years, funding of the benefits is neither required nor recommended in the proposed budget. The objective of Statement 45 is to more accurately reflect the financial effects of OPEB transactions, including the amount paid or contributed by the government.

All departments within the budget have been identified by one of the following designations: Public Safety, Essential Services, and Quality of Life. These designations will assist the Board in making funding decisions going forward. There is a list of these designations attached.

I am grateful for the tremendous effort by Division Directors, Department Heads, Elected and Appointed Officials in developing the FY 2008/09 proposed budget. I am especially thankful for the efforts of Mrs. Sandra Howell, Assistant County Administrator, Mrs. Cindy Kelley, Budget & Purchasing Manager, Mrs. Amanda Taylor, Budget & Purchasing Coordinator, and Mrs. Karen Parker, Budget & Purchasing Specialist in the preparation of this budget and its revisions.

Sincerely,



Bradley Arnold  
County Administrator

## Board of Sumter County Commissioners

Division	Function	Funded by Property Tax	Public Safety	Essential Services	Quality of Life
Elected Officials	Tax Collector	Yes		X	
Elected Officials	Clerk Of Circuit Court	Yes		X	
Elected Officials	Property Appraiser	Yes		X	
Elected Officials	Supervisor of Elections	Yes		X	
Elected Officials	Sheriff	Yes	X		
Elected Officials	Emergency Management	In part	X		
Administration	Fire Services	In part	X		
Administration	Risk Management: Liability, Property and Workers Compensation Insurance	Yes		X	
Administration	Risk Management: Health Insurance Benefits	Yes			X
Administration	Board Support	Yes		X	
Administration	Ambulance	Yes	X		
Administration	Human Resources	Yes		X	
Administration	Budget & Purchasing	Yes		X	
Administration	Records Management/Inventory	Yes		X	
Administration	Information Technology	Yes		X	
Administration	Internal Services	Yes		X	
Administration	Legal Services	Yes		X	
Administration	GIS	Yes		X	
Administration	Other Governmental Services	Yes		X	X
Administration	Project Management	Yes		X	
Administration	Comp Env Plann/Water Conserv	Yes		X	X
Administration	Court Communications	Yes		X	
Administration	Medical Examiner	Yes		X	
Administration	County Agent	In part			X
Administration	Miscellaneous Services	Yes			X
Administration	Impacts/Assessments	Yes		X	
Community Services	Administration	Yes		X	X
Community Services	County Probation	In part		X	
Community Services	Transit	In part			X
Community Services	Library Services	In part			X
Community Services	Indigent Care: HCRA, Indigent Burials	Yes		X	
Community Services	Animal Control	Yes	X		
Community Services	Facilities Maintenance	Yes		X	
Community Services	Parks & Recreation	In part			X
Community Services	Veterans Services	Yes			X
Community Services	Housing	In part		X	
Planning & Development	Zoning	In part		X	
Planning & Development	Development Review	In part		X	
Planning & Development	Building Official	No	X		
Planning & Development	Code Enforcement	In part		X	
Planning & Development	Contractor Licensing	No		X	
Planning & Development	Permitting: Fire, Plan Review & Inspections	No	X		
Public Works	Mosquito Control	In part			X
Public Works	Roads & Bridges	In part		X	
Public Works	FORCE	No			X
Public Works	Solid Waste	No		X	